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46TH ANNUAL REPORT
**State Board of Hail
Insurance**
TO MONTANA GRAIN GROWERS



BUSINESS SUMMARY FOR 1962

Total risk written	\$ 8,593,193 -
Premium charge	\$ 690,336 -
Losses paid	\$ 958,754 -
Policies issued	3,198
Acres insured	795,527
Acres damaged	247,876
Loss claims filed	965
Days with hail	58
Loss ratio	11.1%
Average rate charged	8%
Operating expense ratio	5.8%

**CAREFULLY STUDY THE STIPULATIONS
AND AGREEMENTS ON THE BACK OF
YOUR POLICY**

In case of a hail loss on your insured fields, take time to inspect your entire acreage so you will know where the loss is located.

File a loss claim as soon as possible, within 3 days of the occurrence of the loss.

Be sure to read the "Special Instructions" attached to your loss claim.

Please see that the acres and land description on your loss claim correspond to those on your policy.

Promptness facilitates the office work and assures more satisfaction in adjusting.

An adjuster cannot adjust a loss until he receives a copy of the loss claim from the office.

When the adjuster comes, accompany him over your fields so there will be no misunderstanding.

December 15, 1962

Honorable Tim Babcock, Governor
State of Montana
Capitol Building
Helena, Montana

Dear Governor Babcock:

Preliminary report on the 1962 operation
of the State Hail Insurance Department.

In compliance with Section 82-1519 of the Montana codes and pertaining to the Hail Insurance law, I am giving you a report on the main points of the 1962 hail insurance experience.

Following the far above average hail losses for the year 1961, the year 1962 set an all time record in the total risk written and loss claims paid. Fortunately we were able to pay all losses in full. It was necessary to use \$200,000.00 of the invested operating funds because the losses far exceeded the premiums charged for the season. The excess loss was paid from the operating account and none of the legal reserve fund of \$1,200,000.00 was used. This report will possibly be subject to some small changes but none of the figures quoted will be changed materially. The annual Report to Montana Grain Growers will contain more details but will not be ready until February or March, 1963. For the present, I am giving you the following details which are most important of the 1962 operations.

1962 hail losses were most severe. The total paid on losses was greater than any other year. 965 loss claims were filed as compared with 392 in 1961 and the loss ratio was 11.1%. This ratio was exceeded only in the year 1932 with a loss ratio of 12% but the volume of insurance written then was much smaller. The main part of the 1962 losses occurred in July and August. The storms of June 20th and August 10th were widespread and severe. Hail losses were reported as early as May 15th and continued into the first week of September. Many second losses occurred during the season which made adjusting difficult and costly.

Following are a few counties showing the heaviest losses, also a few counties with light losses.

Severe Losses

County	Premiums	Losses	Loss Ratio
Blaine	\$ 19,726.97	\$ 125,362.25	47%
Fallon	15,425.26	81,942.46	53%
Powder River	11,626.28	38,601.10	30%
Prairie	10,904.56	29,577.09	27%
Dawson	21,076.15	56,840.86	25%
Phillips	10,383.28	34,843.11	24%
McCone	66,201.70	141,346.22	22%

Light Losses

Richland	\$ 54,819.73	\$ 15,487.49	3%
Sheridan	59,517.92	7,698.66	1%
Roosevelt	27,185.46	7,978.52	2%
Glacier	8,582.65	1,759.20	1%
Big Horn	37,243.43	9,855.14	3%

**Heavy Losses the Light Loss Counties in 1962
Had in Former Years**

Richland	1960	\$ 86,549.17
Richland	1946	85,543.78
Sheridan	1957	34,219.54
Sheridan	1958	19,490.00
Roosevelt	1960	27,283.06
Chouteau	1961	64,348.74
Big Horn	1959	110,942.10
Big Horn	1954	77,014.63

The value of the Reserve Fund was apparent when losses exceeded the premiums. In 1961 the losses exceeded the premiums by the sum of \$109,845.00 and in 1962 by \$268,418.84, a total of \$378,263.84 for the two years. The interest earned on the invested funds covers most of the operating expenses.

Owing to the passing of our chairman, the late E. K. Bowman the last part of July, this season has been a hard one for the office force and the adjusters in the field. They cannot be commended too highly for the way they met the challenge. The wet conditions and high number of losses in parts of the state made adjusting very difficult. Many fields had second and third losses. A good spirit of cooperation was evident between the farmers and our adjusters as we ended the season with only one controversial loss. Together with the other members of the Board, I wish to express appreciation to the many farmers who insured for their patience and cooperation.

In closing I wish to commend all the state and county officers whose cooperation has been a big factor in the success of the Hail Insurance Fund.

Sincerely yours,
LYLE H. STANDISH,
Chairman

LHS: gm

44 YEAR SUMMARY

Total risk written	\$ 143,057,202.24
Premium charge	\$ 11,861,671.38
Losses paid	\$ 9,131,526.41
Policies issued	80,703
Total acres insured	15,354,273
Average acres per policy	190
Loss ratio	6.4%
Average cost per \$1000 of protection	\$ 82.92
Number of losses paid	17,189



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DETAIL STATEMENT — RISK, LEVY, LOSSES, LOSS RATIOS

County	1962 Risk	1962 Levy	1962 Losses	1962 Loss Ratio	44 Year Loss Ratio
Big Horn	\$ 387,712.27	\$ 37,243.54	\$ 9,855.14	3%	8%
Blaine	265,653.80	19,726.97	125,362.25	47	10
Broadwater	11,728.00	741.48			4
Carter	14,799.00	1,499.90	1,903.06	13	10
Cascade	24,954.50	1,599.47	264.60	1	3
Chouteau	449,020.46	29,560.25	30,468.46	7	4
Custer	960.00	86.40			6
Daniels	504,319.50	36,212.42	27,273.08	5	5
Dawson	224,578.44	21,076.15	56,840.86	25	10
Fallon	153,363.00	15,425.26	81,942.46	53	10
Fergus	605,505.78	56,150.27	74,550.70	12	6
Garfield	48,981.66	4,505.39	827.68	2	6
Glacier	117,450.00	8,582.65	1,759.20	1	5
Golden Valley	61,516.00	6,197.16	2,922.59	5	8
Hill	591,237.00	38,223.03	70,331.16	12	4
Jefferson	10,881.60	626.78			1
Judith Basin	312,388.00	28,507.46	31,530.04	10	6
Liberty	951,352.50	58,060.31	86,440.32	9	4
McCone	657,443.00	66,065.23	141,544.65	22	8
Musselshell	9,209.40	941.88	379.52	4	12
Petroleum	13,644.00	1,135.44	423.84	3	5
Phillips	143,277.76	10,394.34	34,843.11	24	6
Pondera	111,423.00	6,942.68			5
Powder River	127,405.00	11,626.28	38,601.10	30	8
Prairie	110,740.00	10,904.56	29,577.09	27	10
Ravalli	3,240.00	129.60			7
Richland	537,864.76	54,919.73	15,487.49	3	7
Roosevelt	388,171.00	27,185.46	7,978.52	2	3
Rosebud	9,279.98	826.43	558.90	6	7
Sheridan	719,435.00	58,692.47	7,698.66	1	4
Stillwater	58,286.00	5,719.83	5,833.03	10	8
Teton	71,017.81	4,535.12	3,324.83	5	3
Toole	690,084.68	47,853.56	45,654.56	7	7
Treasure	16,302.00	1,573.92	1,779.10	11	13
Valley	100,029.80	8,500.29	17,756.21	18	7
Wheatland	27,748.00	2,906.51	2,180.64	8	9
Wibaux	25,128.50	1,987.46	1,210.92	5	7
Yellowstone	37,061.60	3,579.60	1,651.15	4	6
	\$8,593,193.30	\$690,445.28	\$958,754.92	11.1%	6.4%

HOW TO GET STATE HAIL INSURANCE

APPLY TO THE ASSESSOR OF THE COUNTY IN WHICH YOUR GRAIN IS GROWING

Any Owner of Mortgaged Land With Not More Than One Year of Delinquent Tax may secure hail insurance and have it charged to his land along with his other real estate taxes. His application containing a lien on his crop will be filed with the clerk and recorder.

Any Owner of Unmortgaged Land With Not More Than One Year of Delinquent Tax may secure hail insurance and have it charged to his land along with his other real estate taxes. The application (containing a hail lien) will not be filed with the clerk and recorder.

Any Tenant desiring hail insurance may secure it by filing an application with his county assessor. It will be approved on a personal assessment basis and his application containing a lien on the crop will be filed with the clerk and recorder. This lien will be a first lien on the crop except for one given for the purchase of seed used in planting and producing the insured grain.

Any Tenant who owes for delinquent hail insurance will not receive further hail insurance unless he pays cash for it or unless he pays the delinquent account.

No hail insurance may be charged to any land without the owner's consent. Also no hail insurance may be charged to any lands other than those on which the crops to be insured are growing.

Hail insurance liens are first liens on all insured crops except liens given for the purchase of seed used to plant the insured crops.

4% Discount Will be Given Those Who Pay Cash For Their Hail Insurance. For example, if the regular premium figures \$100 and the applicant offers cash for the hail insurance, the county assessor will receive \$96 as full payment.

When To Insure. Experience shows that placing hail insurance on growing crops should not be done until they show a reasonable chance of producing a fair return. No allowance will be made for hail damage on any grain until at least 75% of the plants are plainly stemming. Damage early in the hail season is difficult to estimate and adjustment may be delayed until the extent of the damage may be better estimated. No policies will be issued after August 15th.

How Much Hail Insurance Per Acre. All non-irrigated grain may be insured for not more than \$12 except barley and rye which is limited to \$10. Irrigated grain is limited to not more than \$24 except barley and rye which is limited to \$20.

Hail Insurance on Special Crops. Not more than the amounts shown below may be carried per acre on the crops listed:

Irrigated beans, peas, potatoes, corn, mustard and alfalfa seed	\$24.00
Sugar Beets	\$50.00
Non-irrigated rape, safflower, mustard, beans, peas, alfalfa seed and corn	\$12.00
Any hay crop, irrigated or non irrigated	\$12.00

Hail Liability will continue in force on grain after it has been bound, shocked or windrowed until the insured has had a reasonable time to complete threshing or combining.

Hail Insurance for Shareholders. If all shareholders in any crop desire hail insurance, each is limited in his share per acre in proportion to the share each owns of the whole crop. If other shareholders do not desire hail insurance any shareholder may insure his share for the limit allowed per acre.

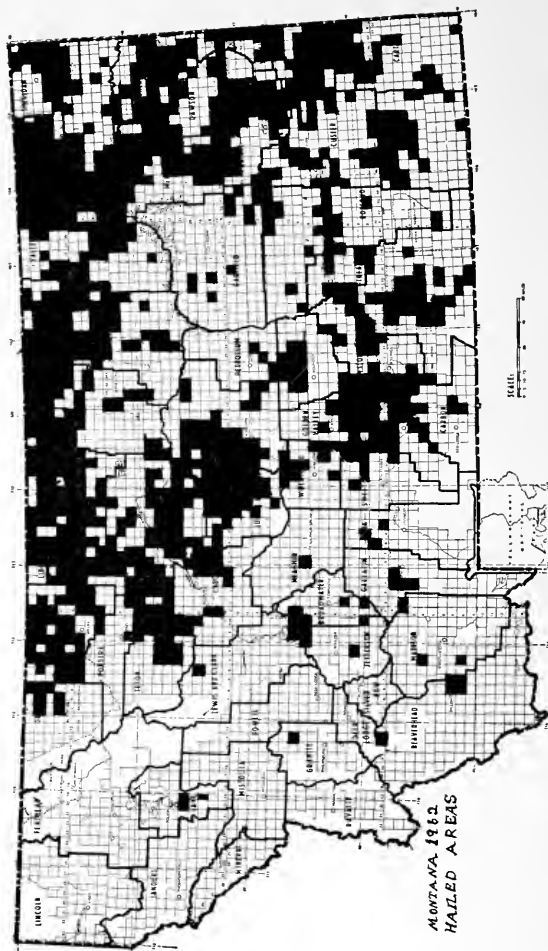
When Not To File Loss Claims. Each year a large number of loss claims are filed where little or no hail loss can be found. A careful examination may show a little damage by hessian fly or wheat stem maggot. Or maybe kinked heads or wheat stem sawfly. This damage was overlooked before the storm and was increased by the strong winds accompanying it. None of it is caused by hail. Examination of these fields costs your hail department a lot of unnecessary expense which can be saved by a more careful examination of the fields by the insured.

ADJUSTMENTS OF HAIL LOSSES will be made by adjusters who have had lots of experience in farming and the adjusting of hail losses. Their experience enables them to estimate the loss accurately. They are instructed to give every claim careful consideration and they will fully cooperate with the grain growers in adjusting all losses.

State Hail Insurance liability expires after September 15 on grain and other crops, except sugar beets which expires after September 30.

Reduced Rates in Case of Crop Failure. If any insured crop is badly damaged by other cause than hail and the value of the said crop does not exceed \$5.00 per acre, you should notify the State Board of Hail Insurance in Helena promptly or you could ask your assessor for a form to make a report on. Prompt action is very important since the amount of your reduction is determined by the date on which you ask for a reduction.

When to File Claims for Hail Loss. When any insured crop is believed to be damaged at least 5%, the insured must mail a claim for such loss to the State Board of Hail Insurance at Helena, Montana within three days. If notice of loss is not received within three days, the cost of adjustment may, at the discretion of the Board be charged to the claimant, unless the Board deems the delay excusable.



The black areas on this map show the location of all the loss claims filed in the 1962 hail season with the State Hail Fund and the various companies writing hail insurance in Montana. The State Department received loss claims and paid out the largest sum of all years on hail losses. This was mainly due to the unusual severity and scope of the hail storms.

Board Members	{	Lyle H. Standish, Chairman, Choteau Clifford Dyrland, Highwood James Dethman, Sidney C. Lowell Purdy, Commissioner of Agriculture Mrs. Edna J. Hinman, State Treasurer
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It is the duty of county assessors to furnish grain growers with full information on State Hail Insurance. This pamphlet is issued for the purpose of helping them do so. It furnishes full information on the operations of the State Hail Department together with how assessors receive applications for hail insurance and issue policies to farmers who wish to protect their crops against damage by hail.

Hail Insurance is a Necessary Cost of Raising Grain.
 As soon as your crops show a prospect of a fair yield you should see your assessor and apply for State Hail Insurance. This pamphlet was issued by the

STATE BOARD OF HAIL INSURANCE

Helena, Montana

April 1, 1963



STAR PTG. CO.